

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Lake Creek Post Office
Lake Creek, Texas

Docket No. A2011-52

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 12, 2011)

On August 22, 2011, the Postal Regulatory Commission (Commission) received correspondence from postal customers Paul M. Burt, Lynne P. Long, Linda L. Baker and Daryl Blakley (Petitioners) objecting to the discontinuance of the Post Office at Lake Creek, Texas. On August 25, 2011, the Commission issued Order No. 825, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 825, the administrative record was filed with the Commission on August 30, 2011. On September 27, 2011, Petitioner Paul M. Burt filed a Form 61, Participant Statement, in support of the petition.

The appeals and the Participant Statement received by the Commission raise three issues: (1) the impact upon the provision of postal services, (2) the impact on the Lake Creek community expected to result from discontinuing the Lake Creek Post Office, and (3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact

¹ See 39 U.S.C. 404(d)(2)(A).

upon postal employees. Accordingly, the determination to discontinue the Lake Creek Post Office should be affirmed.

Background

The Final Determination To Close the Lake Creek, TX Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Lake Creek Post Office provides EAS-11 level service to 28 Post Office Box customers, no delivery customers, and retail customers 39.75 hours per week. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1; Item No. 33, Proposal Exhibit, at 2.² The postmaster of the Lake Creek Post Office retired January 2, 2009. Since the postmaster vacancy arose, an officer-in-charge (OIC) has been installed to operate the office. The noncareer postmaster relief may be separated from the Postal Service; however, no other employee will be adversely affected.³ The average number of daily retail window transactions at the Lake Creek Post Office is 16. Revenue has generally been low: \$29,206.00 in FY 2008 (76 revenue units); \$20,857.00 in FY 2009 (54 revenue units); and \$26,505.00 (69 revenue units) in FY 2010.⁴ The Lake Creek Post Office has no meter or permit customers. FD at 2; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Cooper Post Office, an EAS-18 level office located eight miles away, which has 62 available Post Office Boxes. FD at

² In these comments, specific items in the administrative record are referred to as "Item ____."

³ FD, at 2, 9; Item No. 21, Letter to Postal Customer from Manager, Post Office Operations ("Letter to Customer"), at 1; Item No. 33, Proposal to Close the Lake Creek, TX Post Office and Establish Service by Rural Route Service ("Proposal"), at 2, 9.

⁴ FD, at 2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 1.

2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 2. This service will continue upon implementation of the FD. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Lake Creek Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Lake Creek Post Office. Questionnaires were also available over the counter for retail customers at Lake Creek. FD at 2; Item No. 23, Postal Service Customer Questionnaire Analysis at 1. A letter from the Manager of Post Office Operations, Coppell, Texas was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Lake Creek Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Cooper Post Office. Item No. 21, Letter to Customer, at 1. The letter then invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Id. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Lake Creek Methodist Church located at 569 FM 198 E for a community meeting on February 23, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21a, Letter

to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Lake Creek Post Office and the Cooper Post Office from March 30, 2011 to May 31, 2011. FD, at 7; Item No. 32, Invitation for Comments on the Proposal to Close the Lake Creek, TX Post Office and Establish Service by Rural Route, at 1; Item No. 33, Proposal, at 1. The FD was posted at the same two Post Offices starting on July 1, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy; a minimal workload; low office revenue;⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service);⁶ no expected population, residential, commercial or business growth in the area;⁷ minimal impact upon the community; and the expected financial savings,⁸ the Postal Service issued the FD.⁹ Regular and effective postal services will continue to be provided to the Lake Creek community in an effective manner upon implementation of the final determination. FD at 2, 9.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

⁵ See note 4 and accompanying text,

⁶ FD, at 2-7; Item No. 33, Proposal, at 2-7.

⁷ FD, at 2; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 2.

⁸ FD, at 8-9; Item No. 17, Highway Contract Route Cost Analysis Form; Item No. 33, Proposal, at 8-9.

⁹ FD, at 2-9.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Lake Creek Post Office on postal services provided to Lake Creek customers. The closing is premised upon providing regular and effective postal services to Lake Creek customers.

The Petitioners, in their letters of appeal and Participant Statement, raise the issue of the effect on postal services of the Lake Creek Post Office's closing, noting the convenience of the Lake Creek Post Office and requesting its retention. The Participant Statement expresses particular concern about the difficulty of having to schedule to meet with the rural carrier and the safety of conducting business by way of rural lock boxes. Each of these concerns was considered by the Postal Service.

The Postal Service has considered the impact of closing the Lake Creek Post Office upon the provision of postal services to Lake Creek customers. FD at 2-9; Item No. 33, Proposal, at 2-9. As explained throughout the administrative record, carriers can perform many functions that will alleviate the need to travel to the Post Office. Rural route delivery to customers provides similar access to retail service, thereby stemming the need to travel to the Post Office. FD at 2-4, 5, 6, 7; Item No. 23a, Postal Customer Questionnaire Analysis, at 1-3; Item No. 33, Proposal, at 2-4, 5, 6, 8. In fact, most transactions do not require meeting the carrier at the mailbox. Some of the services available from the carrier include mailing certain packages, purchasing postal money orders, and obtaining a variety of special services. FD at 2-3, 5, 6, 7. Also,

carrier pickup is available which allows for scheduling the pickup of packages at the same time as the carrier delivers the mail. Carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or, when offered, cluster box units. FD at 3, 4.

Additionally, the Postal Service explained that it offers several convenient options which can save customers a trip to the Post Office and having to coordinate with a carrier. FD at 3, 4, 5, 6, 7; Item No. 33, Proposal, at 3, 4, 5, 6, 8. Stamps can be purchased by phone via a toll-free number, or by mail. FD at 5, 6, 7; Item No. 33, Proposal, at 5, 6, 8. Furthermore, if internet access is available, customers can purchase stamps online through the Postal Service's website at www.USPS.com and print shipping labels with postage for Express Mail and Priority Mail using the Postal Service's Click-N-Ship service available at www.USPS.com. Additionally, customers can place their mail on hold or file a change of address order by calling a toll free number or visiting the Postal Service's website.

Despite the option of placing locks on their mailboxes to ensure safety, the Petitioners still expressed a concern about the security of mail, particularly regarding leaving and receiving money in their rural lock boxes. The Postal Service solicited information from the Postal Inspection Service, and that agency found no reports of mail theft or vandalism in the area. FD at 2. However, customers who still wish to take precautions may place a note in their mailboxes instructing the carrier to sound a horn when they arrive in order to transact financial business. Id. Additionally, customers

opting for carrier service will have 24-hour access to their mail and will not have to pay post office box fees. FD at 7. Furthermore, customers are welcome to conduct postal business at the Cooper Post Office, should they decide this option better suit their needs.

Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Cooper Post Office, which is located 8 miles away. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Cooper Post Office. The window service hours of the Cooper Post Office are from 8 a.m. to 4:00 p.m., Monday through Friday and none on Saturday. FD, at 2. Furthermore, special attention and assistance provided by the personnel at the Lake Creek Post Office will be provided by personnel at the Cooper Post Office and the carrier. FD at 9; Item No. 25b, Postal Service Customer Meeting Analysis, at 3. Thus, the Postal Service has properly concluded that all Lake Creek customers will continue to receive regular and effective service via rural route delivery.

Effect Upon the Lake Creek Community

The Postal Service is obligated to consider the effect of its decision to close the Lake Creek Post Office upon the Lake Creek community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Lake Creek is an incorporated rural community located in Delta County. The Delta Sheriff Department provides police protection. The community is administered politically by Delta County, with fire protection provided by the Cooper Fire Department. FD, at 8; Item No. 33, Proposal at 8. The questionnaires completed by Lake Creek customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Lake Creek must travel elsewhere for other supplies and services. See generally FD at 8; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

The Petitioners raise the issue of the effect of the closing of the Lake Creek Post Office upon the Lake Creek community. In addition, the Participant Statement expresses concern that the Lake Creek Post Office is “vital to the community to keep its identity.” This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 3, 4, 8; Item No. 33, Proposal, at 3, 4, 8. The Postal Service believes a community’s identity derives from the interest and vitality of its residents and their use of its name. Although customers will be assigned a mailing address compatible with emergency phone call access, the Postal Service is helping to preserve community identity by continuing the use of the community name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD at 3; Item No. 33, Proposal, at 3. Communities generally require regular and effective postal services and these will continue to be provided to the Lake Creek community. Carrier service is expected to be able to handle any future growth in the

community. FD, at 2, 7, 9; Item No. 33, Proposal, at 2, 8, 9. Residents may continue to meet informally, socialize, and share information at the other establishments in town.

In addition, the Postal Service has concluded that nonpostal services provided by the Lake Creek Post Office can be provided by the Cooper Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 8; Item No. 33, Proposal, at 8. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Lake Creek Post Office on the community served by the Lake Creek Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Lake Creek Post Office and would still provide regular and effective service. Item No. 21a, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Lake Creek Post Office are \$42,134.00. FD at 9; Item No. 33, Proposal, at 9.

The Participant Statement asserts that the Postal Service “could consider cutting the hours [that] the office is open and propose [a] lower rent option with the landlord.” While the Postal Service appreciates these suggestions, the rental costs (\$6300.00) are far outweighed by the labor cost savings (\$40,697.00), and hence this option would not have a significant impact on the overall results. FD at 9. Moreover, there are no

procedures currently in place for reducing hours of service in the absence of significant declines in workload.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 9; Item No. 33, Proposal, at 9. The Lake Creek Post Office, an EAS-11 level, provides 39.75 hours a week to 28 Post Office Box and no general delivery customers. FD, at 2. Daily retail window transactions average 16. There are no permit mailers or postage meter customers. Id. Furthermore, as documented in the administrative record, there is no projected population, residential, commercial or business growth in Lake Creek. Item No. 16, Community Fact Sheet, at 1.

The Postal Service determined that carrier service is more effective than maintaining the Lake Creek postal facility and postmaster position. FD, at 9. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster retired on January 2, 2009.

Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service; however the record shows that no other employee would be affected by this closing. FD, at 2, 9; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2, 9. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Lake Creek Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Lake Creek Post Office on the provision of postal services and on the Lake Creek community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Lake Creek customers. FD, at 9. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Lake Creek Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Lake Creek Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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